

LanzaTech signs first North American waste conversion deal

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NZ-founded LanzaTech signs first North American deal to convert waste gas to ethanol

By Fiona Rotherham

March 29 (BusinessDesk) - NZ-founded LanzaTech has signed its first North American deal, giving US biofuels and biochemicals maker Aemetis exclusive rights to its patented technology to convert various types of waste gas to ethanol in California.

The agreement provides for 12 years of exclusive rights in California based upon meeting certain milestones, with the first step being an eight million gallon per year processing unit planned to be built by the end of next year, the two companies said in a statement.

LanzaTech discovered a microbe that ferments gas so it can be converted into ethanol and other high-value fuels and chemicals. The technology process can also be used for gas produced by oil and chemical refineries, forestry and agriculture, and municipal waste and coal.

Aemetis owns and operates a 60 million gallon per year ethanol plant in Keyes, California that uses around 20 million bushels per year of mainly corn feedstock.

Chairman and chief executive Eric McAfee said by using wastes from forests, dairy, orchards, vineyards, corn, rice, wheat and construction and demolition materials local to its plant, Aemetis hopes to change from paying feedstock costs of more than US\$150 a ton to receiving tipping fees for waste feedstock.

The new technology allows Aemetis to produce advanced ethanol that is worth around US\$3 per gallon more than traditional ethanol, McAfee said. The US company last week reported a net loss of US\$27.1 million for 2015, which it attributed to excess supply in ethanol markets.

LanzaTech CEO Jennifer Holmgren said upgrading a traditional ethanol plant to produce advanced ethanol using the LanzaTech process is a major breakthrough for

the biofuels industry, allowing large scale adoption of low cost, low carbon energy crops and other waste that would otherwise be disposed of in expensive landfills.

“This first example will enable us to further demonstrate the breadth of LanzaTech’s carbon recycling platform and create new opportunities in California,” she said.

The first three commercial units converting steel mill gases to fuels under LanzaTech’s process are being built – in China with Shougang, in Taiwan with China Steel, and in Belgium with the world’s largest steel maker ArcelorMittal.

LanzaTech has raised more than US\$200 million from investors including Khosla Ventures and the NZ Superannuation Fund.

(BusinessDesk)

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